

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
 :
Petition to revise certain tariffs on : No.10-____
less than 45 notice, pursuant to :
Section 9-201 of the Public Utilities Act :

VERIFIED PETITION

Commonwealth Edison Company (“ComEd”), pursuant to Section 9-201 of the Illinois Public Utilities Act (“PUA”) (220 ILCS 5/9-201), respectfully petitions the Illinois Commerce Commission (the “Commission”) to approve on less than forty-five days’ notice a clarification and revision to its Rider PE – Purchased Electricity (“Rider PE”) and a conforming change to Rate BESH – Basic Electric Service Hourly Pricing (“Rate BESH”) for hourly customers. The proposed tariff amendments add to the tariffs additional detail about the methodology for determining supply-related cash working capital (“CWC”) costs and provide an added opportunity for the Commission to review the method by which they are calculated. The amendments do not change customers’ charges or the scope of the costs recoverable through ComEd’s rates. In support of this Petition, ComEd states:

1. ComEd is a corporation organized and existing under the laws of the State of Illinois with its principal office in Chicago, Illinois. ComEd provides electric delivery service and offers electricity supply to the public in the northern portion of Illinois, and is a public utility within the meaning of Section 3-105 of the PUA (220 ILCS 5/3-105) and an electric utility within the meaning of Article XVI of the PUA (*see* 220 ILCS 5/16-102).

2. Section 16-111.5(l) of the PUA (220 ILCS 5/16-111.5) provides that an “electric utility shall recover its costs incurred ... pursuant to a Commission-approved procurement plan

and those other costs identified” therein. It states that recoverable costs include “both the costs incurred by the utility in procuring a supply of electric power and energy ... plus any just and reasonable costs that the utility incurs in arranging and providing for the supply of electric power and energy.” Section 16-111.5(l) requires that all those costs be recovered through a tariffed “formula rate or charge designed to pass through” to customers such costs subject to a mechanism that, at least annually, allows for correction of any “over or under recovery due to changes in customer usage and demand patterns” and “of any accounting errors that may occur.” Section 16-111.5(l) does not exclude from the pass-through requirement any costs of procuring or arranging supply, nor does it require any individual costs to be enumerated in the tariff.

3. On October 29, 2007, in accordance with Section 16-111.5, ComEd filed a petition seeking approval of proposed tariffs, including Rider PE, initiating Docket No. 07-0531. In its Order dated December 19, 2007, Commission approved the tariffs. Rider PE, as approved, became effective on February 13, 2008.

4. Rider PE describes the costs recoverable through its formula rates using the same broad terms as the PUA. Its language includes the full range of costs recoverable under the PUA, as called for by Section 16-111.5(l), without limitation. It provides:

Under this rider, the Company ‘recover[s] its costs of procuring power and energy’ pursuant to Section 16-111.5 of the [PUA]. In particular, this rider provides for the recovery of the Company’s ‘costs of procuring power that are incurred pursuant to the [Illinois Commerce] Commission-approved procurement plan’ ... ‘plus any just and reasonable costs that the [Company] incurs in arranging and providing for the supply of electric power and energy.’ Moreover, in accordance with such Section 16-111.5, ‘[The Company] shall recover through [its rider] all reasonable costs incurred to implement or comply with any procurement plan that is developed and put into effect pursuant to Section 1-75 of the Illinois Power Agency Act and this Section [16-111.5]

Rider PE, ComEd Schedule of Rates, Ill. C.C. No. 10, Orig. Sheet No. 311.

5. Similar supply-related costs attributable to hourly customers are recovered through the Miscellaneous Procurement Components Charge of Rate BESH, which includes “costs [ComEd] incurs related to the procurement of electric power and energy directly from PJM-administered markets for retail customers receiving electric service with hourly pricing which are not recovered through the application of the DCC or MCC, as applicable, the HECs, and the PJM Services Charge.” Rate BESH, Ill. C.C. No. 10, 2nd Rev. Sheet No. 36.

6. ComEd necessarily incurs supply-related CWC costs because ComEd must pay for supply resources well before ComEd receives the corresponding payment from customers who use those resources. Supply-related CWC costs are, therefore, “costs of procuring power that are incurred pursuant to the Commission-approved procurement plan,” as well as “just and reasonable costs that [ComEd] incurs in arranging and providing for the supply of electric power and energy,” and are fully recoverable through Rider PE under Section 16-111.5. For hourly priced customers, they are likewise recoverable under Rate BESH as costs that ComEd “incurs related to the procurement of electric power and energy” for those customers not recovered through one of the other enumerated charges.

7. Under the procedure established by Section 16-111.5(l), ComEd’s supply-related CWC costs are subject to Commission review in an annual proceeding. However, ComEd has recently received inquiries about these costs and desires to be even more transparent about those costs. ComEd therefore voluntarily proposes in this submission to identify supply CWC costs and the methodology for determining them in a manner similar to that used successfully for supply-related collateral and security costs and, in the future, to also afford the Commission the opportunity to review that methodology in advance. Attachment A hereto is proposed tariff sheets implementing these revisions in Rider PE. A version of the same tariff sheets in

legislative “redline” style showing the changes to the existing tariff is Attachment B. Corresponding amendments to Rate BESH are provided as Attachment C. A version in of those sheets in legislative “redline” style is provided as Attachment D

8. ComEd’s proposed tariff amendments:
 - a. Identify supply-related CWC costs as a specific cost recoverable under Rider PE and provides a description of how those costs are determined, using language derived from the Ameren Electric Utilities’ Rider PER.
 - b. Establish a means by which the Commission, in ComEd’s next delivery or other general rate case, can review the methodology that ComEd will use to determine supply-related CWC costs.
 - c. Make clear that inputs to the CWC methodology particular to ComEd’s annual supply CWC costs, such as the leads and lags associated with supply expenses and payments and their respective dollar amounts, will be updated on an annual basis based on actual experience.
 - d. Define a specific transitional method to recover supply related CWC costs prior to ComEd’s next rate case, subject of course to review in the annual statutory proceeding.
 - e. Preserve the Commission’s ability to review the supply-related CWC charges in the annual proceeding.

9. ComEd emphasizes that the proposed tariff amendments neither expand nor contract the scope of the costs properly recoverable through Rider PE or Rate BESH. Those costs are defined by Section 16-111.5(l) of the PUA, the language of which Rider PE adopts, and not by ComEd or the Commission. Rate BESH tracks that same definition. Because the

proposed tariff revisions make no change to the scope of costs which ComEd can recover, but only establish a clear process for determination and review of those costs, it will have no impact on the Purchased Electricity Charges that have been submitted for informational purposes by ComEd, or on any charge currently collected under Rider PE or Rate BESH.¹

10. The Commission should also note that for the next planning year, among the largest of these supply-related “costs” is a \$53.8 million credit to customers resulting from payments to ComEd for Auction Revenue Rights. This credit is substantially larger than the approximately \$31.5 million of supply-related CWC costs, resulting in a net rate reduction for customers. In this case, the process that ComEd is seeking to clarify will actually reduce rates.

11. In order for these amendments to be effective prior to the date that the most recently updated Purchased Electricity Charges become applicable, ComEd requests that the Commission approve the proposed tariff amendment and allow it to become effective no later than May 31, 2010.

¹ ComEd updates its supply-related charges to reflect the recent and upcoming procurement events, but no change will be made on account of this tariff filing.

WHEREFORE, Commonwealth Edison Company respectfully requests that the Commission enter an Order allowing the tariff sheets amending Rider PE provided as Attachment A hereto and the tariff sheets amending Rate BESH provided as Attachment C hereto to become effective on or before May 31, 2010.

<p>Dated: May 12, 2010</p>	<p>Respectfully submitted,</p> <p>Commonwealth Edison Company</p>  <p>By: _____</p> <p>One of the attorneys for Commonwealth Edison Company</p>
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<p>Counsel for Commonwealth Edison Company</p>	

STATE OF ILLINOIS)
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COUNTY OF DuPAGE) SS

VERIFICATION

I, Lawrence S. Alongi, being first duly sworn, state that I am ComEd's Manager of Retail Rates, that I have read the foregoing Petition, am knowledgeable of the facts stated therein, and the facts stated therein are true and correct to the best of my information and belief.

Lawrence S. Alongi

Lawrence S. Alongi

SUBSCRIBED AND SWORN to
Before me on this 10th day of
May, 2010.

Diane M. Jarosik

Notary Public

